

# ***National Credit Union Administration***



## ***Operating Fund***

***Financial Highlights  
August 31, 2012***

*Mary Ann Woodson*

**Mary Ann Woodson  
Chief Financial Officer**

# **NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND**

## **FINANCIAL HIGHLIGHTS AS OF AUGUST 31, 2012**

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### **Balance Sheets**

Cash and cash equivalents had a month-end balance of approximately \$61.2 million. Its balance decreased \$12.4 million in the month primarily for the payment of operating expenses. The cash position is considered to be sufficient to cover current and future obligations of the Fund.

### **Statements of Revenues, Expenses, and Changes in Fund Balance**

Net loss for the month was \$89,000. Net income year to date was \$2,012,000. Interest income on overnight investments has averaged 0.09% during the year, versus 0.05% during the same period last year.

### **Statements of Cash Flow**

The cash position decreased \$12.4 million since last month. Operating activities generated the major portion of the net change in cash. Also, a total of \$431,000 was invested in new capital assets, and a total of \$112,000 in cash was used to reduce or repay the NCUSIF note payable long-term liability, which has a balance of \$14.9 million on the balance sheet.

### **Budget (Year-to-Date)**

Agency spending was under the year-to-date budget by \$11.4 million or 7.2 percent, compared to being under the year-to-date budget by approximately \$10.6 million or 7.0 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$3.6 million or 3.2%, travel was under budget by \$1.8 million or 10.1%, and the remaining expense categories combined were under budget by \$5.9 million or 21.7%.

The average annualized travel spend per FTE has been \$20,983 this year, which is \$699 more than last year. Travel expenses tend to be higher in even-numbered years due to the biannual NCUA national conference.

### **Vacancies**

The Agency had 79 vacancies as of this month -- down 2 from the prior month. Of the 79 vacancies, 40 were in the central office and 39 were in the regions and AMAC. The 79 vacancies represent 6.3% percent of total authorized staff of 1,261.50.

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

## BALANCE SHEETS AS OF AUGUST 31, 2012 AND AUGUST 31, 2011 (Dollars in thousands)

	8/31/2012	7/31/2012	8/31/2011
<b>ASSETS</b>			
CASH AND CASH EQUIVALENTS	\$ 61,211	\$ 73,598	\$ 64,820
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	-	-	318
EMPLOYEE ADVANCES	15	35	170
OTHER ACCOUNTS RECEIVABLE	449	191	220
PREPAID EXPENSES AND OTHER ASSETS	1,327	1,327	2,018
ASSETS HELD FOR SALE	766	766	341
FIXED ASSETS — Net of accumulated depreciation of \$26,806 as of August 31, 2012	31,557	31,326	31,314
INTANGIBLE ASSETS — Net of accumulated amortization of \$10,843 as of August 31, 2012	<u>6,260</u>	<u>6,886</u>	<u>4,716</u>
<b>TOTAL</b>	<b><u>\$ 101,585</u></b>	<b><u>\$ 114,129</u></b>	<b><u>\$ 103,917</u></b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 32,416	\$ 40,458	\$ 31,351
Obligations under capital leases	58	58	24
Accrued wages and benefits	5,417	9,718	10,068
Accrued annual leave	12,699	12,699	11,401
Accrued employee travel	-	-	-
Note payable to National Credit Union Share Insurance Fund	<u>14,862</u>	<u>14,974</u>	<u>16,203</u>
Total Liabilities	65,452	77,907	69,047
<b>COMMITMENTS AND CONTINGENCIES</b>			
FUND BALANCE	<u>36,133</u>	<u>36,222</u>	<u>34,870</u>
<b>TOTAL</b>	<b><u>\$ 101,585</u></b>	<b><u>\$ 114,129</u></b>	<b><u>\$ 103,917</u></b>

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE  
FOR THE PERIODS ENDED AUGUST 31, 2012 AND AUGUST 31, 2011  
(Dollars in thousands)**

	YEAR-TO-DATE		MONTH	
	2012	2011	2012	2011
REVENUES:				
Operating fees	\$ 59,281	\$ 57,377	\$ 7,406	\$ 7,173
Interest	28	16	6	2
Other	<u>941</u>	<u>666</u>	<u>120</u>	<u>93</u>
Total Revenues	60,250	58,059	7,532	7,268
EXPENSES, NET:				
Employee wages and benefits, net	43,104	40,815	5,542	5,504
Travel	6,501	6,086	879	731
Rent, communications, and utilities	1,393	1,183	190	130
Contracted services	3,705	4,310	453	676
Other	<u>3,535</u>	<u>3,703</u>	<u>557</u>	<u>426</u>
Total Expenses	<u>58,238</u>	<u>56,097</u>	<u>7,621</u>	<u>7,467</u>
EXCESS OF REVENUES OVER EXPENSES	2,012	1,962	(89)	(199)
FUND BALANCE—Beginning of year	<u>34,121</u>	<u>32,908</u>	<u>36,222</u>	<u>35,069</u>
FUND BALANCE—End of year	<u>\$ 36,133</u>	<u>\$ 34,870</u>	<u>\$ 36,133</u>	<u>\$ 34,870</u>

# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

## STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED AUGUST 31, 2012 AND AUGUST 31, 2011 (Dollars in thousands)

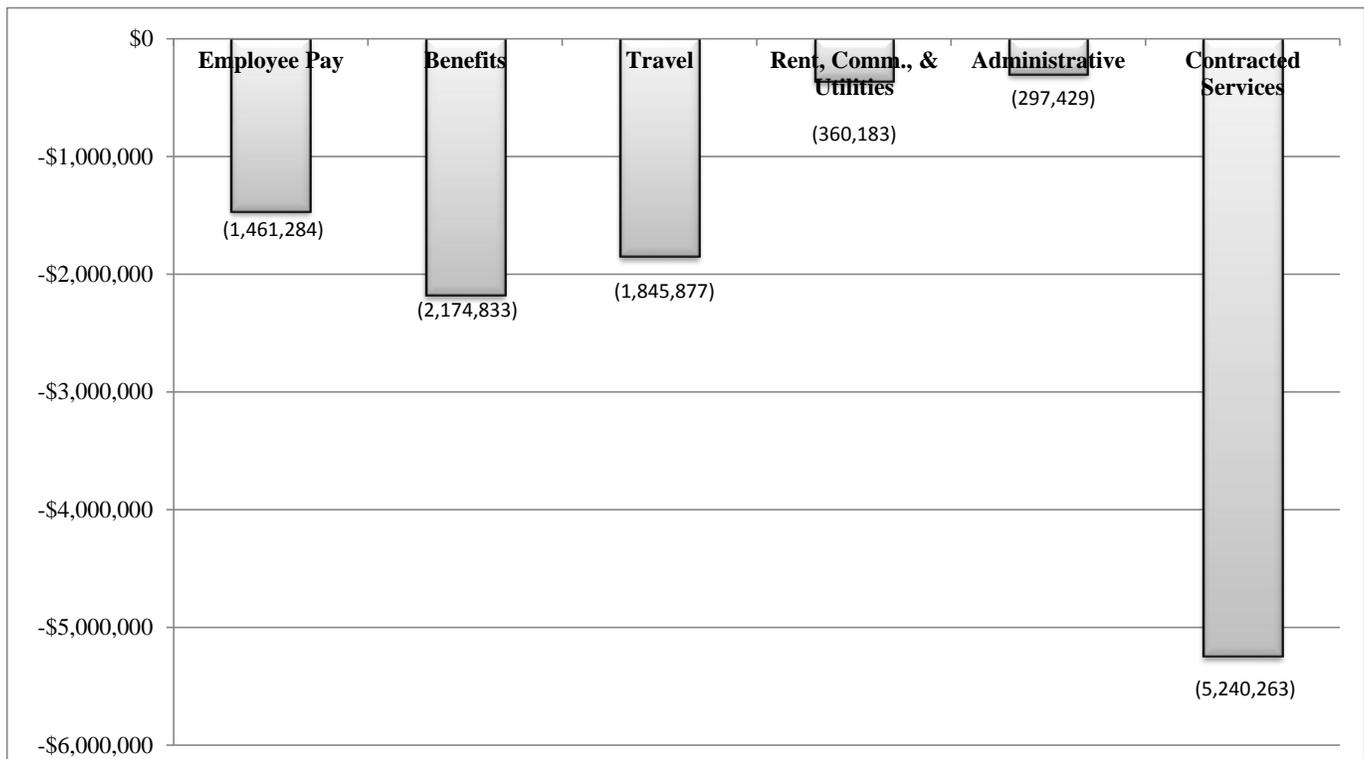
	YEAR-TO-DATE		MONTH	
	2012	2011	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Excess of revenues over expenses	\$ 2,012	\$ 1,962	\$ (89)	\$ (199)
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	4,091	3,045	826	352
Provision for loss on disposal of employee residences held for sale	116	133	-	-
(Gain) loss on fixed asset retirements	(3)	-	-	-
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	1,182	2,539	-	(318)
Employee advances	28	(120)	20	56
Other accounts receivable	436	129	(258)	(47)
Prepaid expenses and other assets	(312)	(647)	-	(13)
(Decrease) increase in liabilities:				
Accounts payable	25,342	26,308	(8,042)	(7,218)
Accrued wages and benefits	(3,878)	1,487	(4,301)	1,826
Accrued annual leave	-	-	-	-
Accrued employee travel	(628)	(532)	-	-
Net cash provided by operating activities	<u>28,386</u>	<u>34,304</u>	<u>(11,844)</u>	<u>(5,561)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchases of fixed assets	(2,803)	(1,458)	(431)	(63)
Proceeds from disposal of fixed assets	25	-	-	-
Purchases of employee residences held for sale	(995)	(512)	-	(193)
Proceeds from sale of employee residences held for sale	510	735	-	-
Net cash used in investing activities	<u>(3,263)</u>	<u>(1,235)</u>	<u>(431)</u>	<u>(256)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Repayments of note payable to National Credit Union Share Insurance Fund	(894)	(894)	(112)	(112)
Principal payments under capital lease obligations	-	-	-	-
Net cash used in financing activities	<u>(894)</u>	<u>(894)</u>	<u>(112)</u>	<u>(112)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	24,229	32,175	(12,387)	(5,929)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>36,982</u>	<u>32,645</u>	<u>73,598</u>	<u>70,749</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 61,211</u>	<u>\$ 64,820</u>	<u>\$ 61,211</u>	<u>\$ 64,820</u>
CASH PAYMENTS FOR INTEREST	<u>\$ 199</u>	<u>\$ 236</u>	<u>\$ 24</u>	<u>\$ 29</u>

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**YEAR-TO-DATE BUDGET REPORT ANALYSIS (BEFORE OVERHEAD TRANSFER RATE)\*  
AS OF AUGUST 31, 2012 AND AUGUST 31, 2011**

	2012				2011			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
<b>Employee Pay</b>	84,087,796	82,626,512	(1,461,284)	-1.7%	84,322,447	79,422,374	(4,900,073)	-5.8%
<b>Benefits</b>	27,979,262	25,804,429	(2,174,833)	-7.8%	25,033,079	22,911,164	(2,121,915)	-8.5%
<b>Travel</b>	18,343,461	16,497,585	(1,845,877)	-10.1%	16,297,243	15,481,258	(815,985)	-5.0%
<b>Rent, Comm., &amp; Utilities</b>	3,786,922	3,426,740	(360,183)	-9.5%	3,418,682	2,879,876	(538,806)	-15.8%
<b>Administrative</b>	8,989,462	8,692,033	(297,429)	-3.3%	8,967,924	9,017,446	49,522	0.6%
<b>Contracted Services</b>	14,362,704	9,122,442	(5,240,263)	-36.5%	12,774,008	10,509,764	(2,264,244)	-17.7%
<b>TOTAL</b>	157,549,608	146,169,739	(11,379,868)	-7.2%	150,813,383	140,221,882	(10,591,501)	-7.0%

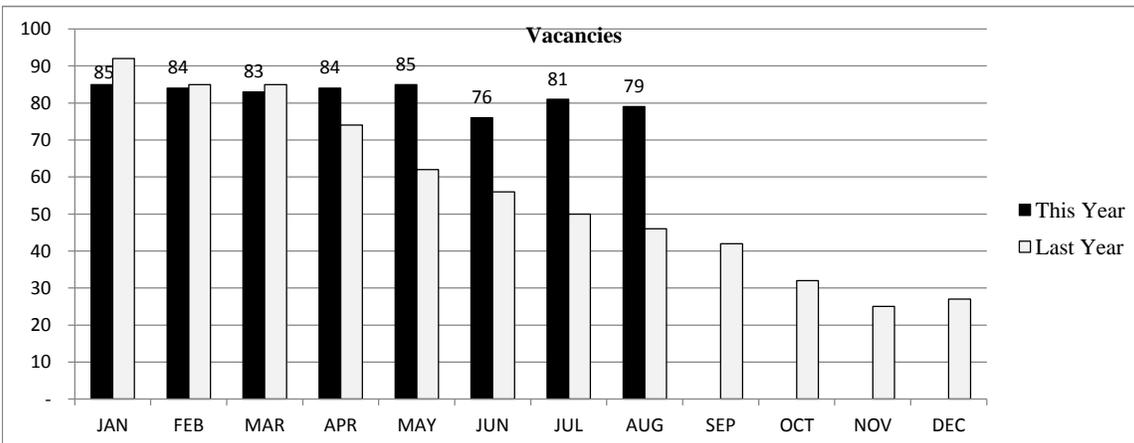
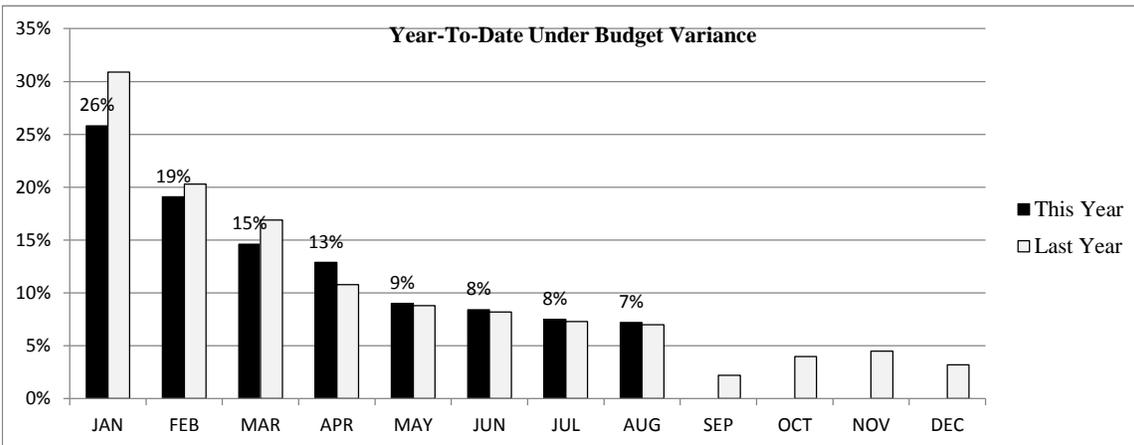
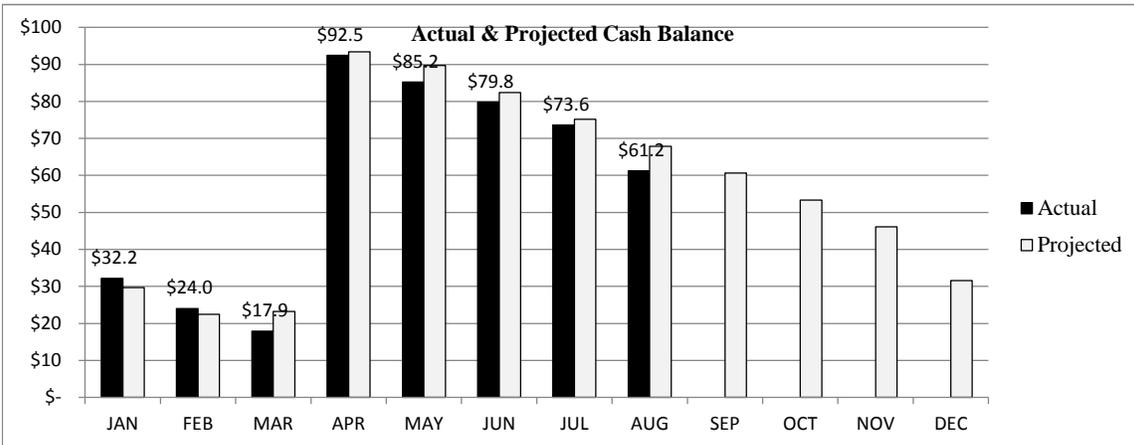
**Amount Over (Under) Budget**



# NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

## GRAPHS AND RATIOS

AS OF AUGUST 31, 2012 AND AUGUST 31, 2011



	8/31/2012	8/31/2011
Retained earnings / Total assets	35.57%	33.56%
YTD interest income to average investments (annualized)	0.09%	0.05%
Annualized travel spend per employee	\$20,983	\$20,284
Net year to date cash inflow (outflow) in millions of dollars	\$24	\$32
Cash and overnight investments / Total assets	60.26%	62.38%
Overhead transfer rate	59.30%	58.90%